

Officials prepare residents for the worst on aid cuts

by Douglas Tallman

Staff Writer

The hand-wringing and the tooth-gnashing begin.

County Council members are faced with residents who expect high services and clamor for tax relief. On the other side are state and federal officials who are cutting aid to the local governments.

A report released Tuesday showed Montgomery County could lose nearly \$25 million in promised aid from Annapolis.

On the federal side, numbers are less certain. President George W. Bush's proposed budget slashes local aid, but Congress has raised objections to deep cuts.

"Residents need to realize the county government cannot backfill every dollar that is lost from state and federal cutbacks," said Councilman George L. Leventhal (D-At large) of Takoma Park.

Leventhal spoke at a briefing Tuesday in which County Council members were given a grim picture of aid from the State House and Capitol Hill.

The briefing came just as the council begins its work on County Executive Douglas M. Duncan's \$3.6 billion budget proposal. About \$500 million of county spending comes from state and federal aid.

Loss from state aid is calculated based on statutory promises in assistance. Adding what already has been lost in the past two years with shortfalls expected in fiscal 2006, Montgomery County is out more than \$84 million in state aid, said Melanie L. Wenger, director of county's Office of Intergovernmental Relations.

"It looks like this year, we have

some pretty substantial problems in terms of the state budget," she said.

On top of that, state coffers are "filling up" with unexpected cash from a recovering economy. Even so, the state is sticking with spending limits, which in turn cause problems for county government, Wenger said.

Council members feel particularly pressured by the cuts because the county provides many of the services required by state and federal mandates.

"The state needs the money for itself and for us," said Councilman Howard A. Denis (R-Dist. 1) of Chevy Chase. But if the state raises the gasoline tax, adds video lotteries or closes tax loopholes, someone will object.

"As a result, the state is in the soup, and we're in the soup," he said.

At the federal level, Bush (R) has proposed ending the community development block grant program, which supplied about \$6 million a year to the county.

Elizabeth Davison, the county's director of Housing and Community Affairs, said CDBG grants were used in the Silver Spring redevelopment.

"I'd doubt we'd have the success we've been having without the money," she said.

Council President Thomas E. Perez (D-Dist. 5) of Takoma Park appeared worked up about the issue, talking of the "trail of broken promises" in which county seats have been left to provide services while other seats of government reduce taxes.

"We shouldn't outsource the deficit to local governments," he said.